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BUILDING PRODUCTS



Louisiana-Pacific Corporation

Q4 2008 and Year End 2008

Financial Results

February 27, 2009

These slides were prepared and should be read in conjunction the earnings release by LP's management on February 27, 2009 relating to LP's financial condition and results of operations as of and for the quarter ended December 31, 2008. LP does not intend to update these slides. Accordingly, you should not assume that the information contained in these slides will continue to be accurate as of any date after February 27, 2009.

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Forward Looking Statements

This presentation contains statements concerning Louisiana Pacific Corporation's (LP) future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, including the level of interest rates and housing starts, market demand for the company's products, and prices for structural products; the effect of forestry, land use, environmental and other governmental regulations; the ability to obtain regulatory approvals; and the risk of losses from fires, floods and other natural disasters. These and other factors that could cause or contribute to actual results differing materially from such forward-looking statements are discussed in greater detail in the company's Securities and Exchange Commission filings.



Statement Relating to the Use of Non-GAAP Financial Measures

During the course of this presentation, certain non-U.S. GAAP financial information will be presented. Reconciliation of those numbers to U.S. GAAP financial measures are available on the company's website at www.lpcorp.com under the Investor Relations Presentations section.



Financial Results – Quarterly

Dollar amounts in millions, except per share amounts

	Quarter Ended		
	December 31, 2008	September 30, 2008	December 31, 2007
Net sales	\$ 250	\$ 390	\$ 377
Income (loss) from continuing operations	\$ (339)	\$ (100)	\$ (49)
Income (loss) from discontinued operations	\$ (1)	\$ (11)	\$ (3)
Net income (loss)	\$ (340)	\$ (111)	\$ (52)
Diluted EPS from continuing operations	\$ (3.30)	\$ (0.98)	\$ (0.48)
Diluted EPS	\$ (3.31)	\$ (1.08)	\$ (0.50)
Tax rate on continuing operations	12%	38%	52%



Reconciliation of Special Items – Quarter

	<u>Q4 08</u>	<u>Q3 08</u>	<u>Q4 07</u>
Loss from continuing operations	\$ (339)	\$ (100)	\$ (49)
Less “special items”:			
(Gain) loss on sale or impairment of long-lived assets	(1)	10	3
Other operating credits and charges	296	1	7
Other than temporary impairment of investments	27	89	21
	<u>322</u>	<u>100</u>	<u>31</u>
Provision (benefit) for income taxes *	18	39	12
After tax effect of “special items”	<u>304</u>	<u>61</u>	<u>19</u>
Adjusted income (loss) from operations excluding “special items”	<u>\$ (35)</u>	<u>\$ (39)</u>	<u>\$ (29)</u>
Adjusted income (loss) from operations excluding “special items” per diluted share	<u>\$ (0.35)</u>	<u>\$ (0.38)</u>	<u>\$ (0.29)</u>

* Included in other operating credits and charges is approximately \$273 million of goodwill impairment which is not tax deductible and therefore is not adjusted as part of the tax provision for these “special items” listed above.



Financial Results – Year

Dollar amounts in millions, except per share amounts

	Year Ended December 31,	
	2008	2007
Net sales	\$ 1,376	\$ 1,705
Loss from continuing operations	\$ (565)	\$ (155)
Loss from discontinued operations	\$ (14)	\$ (25)
Net loss	\$ (579)	\$ (180)
Diluted EPS from continuing operations	\$ (5.49)	\$ (1.50)
Diluted EPS	\$ (5.62)	\$ (1.73)
Tax rate on continuing operations	26%	46%



Reconciliation of Special Items – Year

	<u>Year Ended December 31,</u>	
	<u>2008</u>	<u>2007</u>
Income (loss) from continuing operations	\$ (565)	\$ (155)
Less “special items”:		
(Gain) loss on sale or impairment of long-lived assets	9	57
Other operating credits and charges	364	(13)
Other than temporary impairment of investments	119	21
	<u>492</u>	<u>65</u>
Provision (benefit) for income taxes *	85	25
After tax effect of “special items”	407	40
Adjusted income from operations excluding “special items”	<u>\$ (158)</u>	<u>\$ (115)</u>
Adjusted income from operations excluding “special items” per diluted share	<u>\$ (1.54)</u>	<u>\$ (1.11)</u>

* Included in other operating credits and charges is approximately \$273 million of goodwill impairment which is not tax deductible and therefore is not adjusted as part of the tax provision for these “special items” listed above.

OSB

Dollar amounts in millions

	<u>Q4 08</u>	<u>Q3 08</u>	<u>Q4 07</u>	<u>Year End</u>	
				<u>2008</u>	<u>2007</u>
Sales	\$ 109	\$ 182	\$ 187	\$ 622	\$ 824
Profit (loss) ^a	\$ (31)	\$ (28)	\$ (54)	\$ (155)	\$ (195)
DDA	\$ 9	\$ 13	\$ 14	\$ 50	\$ 63

Percentage Changes:

Sales	(40%)	(42%)		(25%)
Profit (loss)	(12%)	42%		20%
<u>Volume</u>	(39%)	(48%)		(29%)
<u>Price</u>	(6%)	6%		5%

^a Profit (loss) equals sales less cost of sales, depreciation, amortization and cost of timber harvested and selling and administration directly associated with the segment



Siding

Dollar amounts in millions

	<u>Q4 08</u>	<u>Q3 08</u>	<u>Q4 07</u>	<u>Year End</u>	
				<u>2008</u>	<u>2007</u>
Sales	\$ 76	\$ 117	\$ 92	\$ 424	\$ 449
Profit (loss) ^a	\$ (11)	\$ 5	\$ (4)	3	34
DDA	\$ 4	\$ 5	\$ 4	\$ 20	\$ 18

Percentage Changes:

Sales	(35%)	(17%)	(6%)
Profit (loss)	(339%)	(159%)	(92%)

Volume

SmartSide	(39%)	(23%)	(10%)
Canoxel	(10%)	(24%)	(11%)

Price

SmartSide	5%	0%	2%
Canoxel	0%	(11%)	(2%)

^a Profit (loss) equals sales less cost of sales, depreciation, amortization and cost of timber harvested and selling and administration directly associated with the segment



Engineered Wood Products

Dollar amounts in millions

	<u>Q4 08</u>	<u>Q3 08</u>	<u>Q4 07</u>	<u>Year End</u>	
				<u>2008</u>	<u>2007</u>
Sales	\$ 45	\$ 63	\$ 72	\$ 234	\$ 332
Profit (loss) ^a	\$ (12)	\$ (11)	\$ (3)	\$ (40)	\$ 11
DDA	\$ 4	\$ 4	\$ 4	\$ 16	\$ 16

Percentage Changes:

Sales	(28%)	(37%)	(29%)
Profit (loss)	(8%)	(358%)	(465%)

Volume

IJ	(36%)	(33%)	(29%)
LVL/LSL	(25%)	(23%)	(21%)

Price

IJ	(4%)	(8%)	(4%)
LVL/LSL	(7%)	(16%)	(10%)

^a Profit (loss) equals sales less cost of sales, depreciation, amortization and cost of timber harvested and selling and administration directly associated with the segment



Balance Sheet and Other Statistics

Dollar amounts in millions, except per share amounts

	December 31, <u>2008</u>	December 31, <u>2007</u>
Total cash and investments	\$ 215	\$ 746
Working capital	\$ 337	\$ 587
Net cash and investments	\$ (35)	\$ 340
Capital expenditures YTD (includes investments in JVs)	\$ 161	\$ 341
Book value per share	\$ 11.45	\$ 17.65

See appendix for reconciliations

Appendix

Appendix

Dollar amounts in millions

	December 31, 2008	December 31, 2007
<u>Calculation of "Working Capital"</u>		
Current assets	\$ 503	\$ 1,076
Current liabilities	(166)	(489)
Working capital	<u>\$ 337</u>	<u>\$ 587</u>
 <u>Calculation of "Net Cash and Investments"</u>		
Long-term debt	\$ (473)	\$ (486)
Short-term notes payable	(2)	(45)
Current portion of long term debt	(8)	(128)
Current portion of limited recourse notes payable	(20)	(74)
Notes receivable from assets sales	233	253
Current portion of notes receivable from assets sales	20	74
Total cash and investments	215	746
Net cash and investments	<u>\$ (35)</u>	<u>\$ 340</u>
 <u>Calculation of "Total Cash and Investments"</u>		
Cash and cash equivalents	\$ 98	\$ 352
Short-term investments	21	180
Restricted cash	77	61
Long-term investments	19	153
Total cash and investments	<u>\$ 215</u>	<u>\$ 746</u>